

PART I - THE SCHEDULE

SECTION B - SUPPLIES OR SERVICES AND PRICE/COSTS

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- B.1 MANAGEMENT AND TECHNICAL SUPPORT SERVICES**
- B.2 INDEFINITE DELIVERY/INDEFINITE QUANTITY, COST ESTIMATE,
AND PERFORMANCE FEES**
- B.3 PERIOD OF PERFORMANCE**
- B.4 ESTIMATED COST AND FEE**
- B.5 OBLIGATION OF FUNDS**
- B.6 OPTION TO EXTEND THE TERM OF THE CONTRACT**

PART I - SECTION B

SUPPLIES, SERVICES, AND PRICES/COST

B.1 MANAGEMENT AND TECHNICAL SUPPORT SERVICES

This is a cost reimbursement performance based service contract for Management and Technical Support Service for the U.S. Department of Energy's Strategic Petroleum Reserve Project Management Office (SPRPMO). The Contractor shall furnish all personnel necessary to perform the services, and otherwise do all things necessary for, or incidental to, the performance in an efficient and effective manner all work set forth in Section C, *Statement of Work*.

- Item 1 - Phase-in activities for a period not to exceed 14 calendar days prior to commencement of base contract.
- Item 2 - Provide management and technical support services to the Department of Energy (DOE) SPRPMO as set forth in *Statement of Work* contained in Part I - Section C.
- Item 3 - Phase-out activities for a period not to exceed 14 calendar days after completion of contract period of performance.
- Item 4 - Reports in accordance with "Reporting Requirements Checklist," Form DOE F1332.1 and the "Uniform Reporting System." (See DEAR 952.212-72 in Part II, Section I, and Attachments 4a in Part III, Section J, and Part IV, Section L - Exhibit C.)

B.2 INDEFINITE DELIVERY/INDEFINITE QUANTITY, COST ESTIMATE, AND PERFORMANCE FEES

The work described in Paragraph B.1 is contracted for the entire term of the contract. The work shall be accomplished on the basis of an indefinite delivery/indefinite quantity contract. The total minimum guaranteed quantity is 132,360 direct productive labor hours (DPLH). The Cost Estimate shall consist of the Contractor's (DPLH) expended in performance of the contract. The Contractor shall use 211,600 DPLH as the total estimated quantity of labor hours that will be ordered under this contract. The maximum DPLH that can be

ordered under this contract, including the base period and option years is **211,600**. Fee proposals shall be based upon this estimated quantity of labor hours to be ordered. The Contractor shall be obligated to perform all required work during the term of the contract even if DPLH in addition to that set forth below are required; however, the Contractor shall not be required to perform such additional DPLH until added to the contract by the Contracting Officer. There is no guarantee, however, that all of the estimated DPLH will be required during the term of the contract or that any additional DPLH will be added. If the total estimated quantity of labor hours are not ordered, the total available fee shall be reduced accordingly.

DPLH are defined as actual work exclusive of vacation, holiday, sick leave, administrative leave, and other absences. The Contractor shall keep complete and accurate records on the DPLH charged to this account.

It is anticipated that in the event additional DPLH are required in performance of the work during the term of the contract, a Request for Proposal will be issued to the Contractor for the additional DPLH. The parties will negotiate an equitable adjustment in estimated cost and fee for the additional DPLH and modify the contract appropriately. Failure of the parties to agree to an equitable adjustment for the additional DPLH shall constitute a “dispute” within the meaning of Section I, Clause I.70, entitled “Disputes, Alternate I” in Section I of the contract. The Contracting Officer shall unilaterally adjust the contract to incorporate the additional DPLH and estimated cost and fee, and the Contractor shall proceed diligently with the performance of the contract in accordance with the Contracting Officer's decision rendered pursuant to Section I, Clause I.70.

If the total estimated DPLH quantity is not ordered, the fee shall be reduced in the same proportion as labor hours actually ordered to the estimated labor hours.

In performance of Task Assignments issued hereunder during the contract period shown below, the DPLH, estimated cost, and performance fees are as follows:

	<u>Professional</u> (DPLH) (1,840)	<u>Non-Professional</u> (DPLH) (1,840)	<u>Key Personnel</u> (DPLH)
Base Contract – Year 1	22,240	16,560	5,520
Base Contract – Year 2	22,240	16,560	5,520
Base Contract – Year 3	22,240	16,560	5,520
Option Year 1	22,240	16,560	5,520
Option Year 2	22,240	16,560	5,520
TOTAL	101,200	82,800	27,600

Professional includes any person involved in discharging the duties of a position under this contract having a recognized status based on the individual's acquiring knowledge through prolonged study. This category includes bona fide executive, administrative, or professional employees, as defined in 29 CFR Part 541.

Non-professional includes any person involved in discharging the duties of a position under this contract other than a bona fide executive, administrative, or professional position, as defined in 29 CFR Part 541.

B.3 PERIOD OF PERFORMANCE

The period of performance for the work specified in Section C, *Statement of Work*, of this contract shall commence November 1, 2006, and continue through October 31, 2009, unless terminated sooner as provided for in other provisions of this contract. The Phase-In Period shall commence October 15, 2006, and continue through October 31, 2006.

B.4 ESTIMATED COST AND FEE

- a. The estimated cost (includes total available fee) for this contract is as follows:

TABLE B-1 ESTIMATED COST AND FEE (in thousands)						
Base Year	1st Year Base Award 11/01/06 through 10/31/07	2nd Year Base Award 11/01/07 through 10/31/08	3rd Year Base Award 11/01/08 through 10/31/09	Option Year 1 11/01/09 through 10/31/10	Option Year 2 11/01/10 through 10/31/11	Total Contract Cost
Estimated Cost						
Performance Fee						
Total Fee Available						
Total Cost and Fee(s)						

- b. The estimated cost for the Phase In period is \$_____. There will be no fee paid for the Phase In period.
- c. The total estimated cost of this contract is \$ _____. The Performance fees are \$_____. The total estimated cost and performance fees are \$_____.

B.5 OBLIGATION OF FUNDS

The total amount of funds presently obligated by the Government under this contract is \$_____. This amount may be increased or decreased in accordance with FAR 52.232-22, Limitation of Funds (APR 1984), referenced in Section I, Clause I.66, Clauses Incorporated by Reference.

B.6 OPTION TO EXTEND THE TERM OF THE CONTRACT

This contract may be extended at the unilateral option of the Government by written notice to the Contractor 60 days prior to the expiration date of this contract. Further, the Contractor agrees that the stated fees as set forth in Section B.4, *Estimated Cost and Fee*, above will apply to the Option Period(s). The Option Periods may be exercised at the sole discretion of the Contracting Officer and may be exercised unilaterally for any period(s) not to exceed two years. If an option is for a period of less than one year, the fee will be prorated based on the period of the option. (See FAR 51.217-9, *Option to Extend the Term of the Contract* - Section I, Clause I.31) as referred in Section L, L.33.